

<b>TRANSMITTAL SLIP</b>	
TO: DDA	
ROOM NO. 7D18	BUILDING Hqs
REMARKS:	
<p>Your copies</p> <p>EXO/DDA <sup>25</sup> <i>[Signature]</i></p> <p>DDA/CMS <i>Sal</i> <sup>3/25</sup></p> <p>DDA REG.</p>	
FROM: D/OP	
ROOM NO. 6N20	EXTENSION

FORM NO.  
1 FEB 56 241

REPLACES FORM 36-8  
WHICH MAY BE USED.

(47)

SECRET

86-1056

MAR 14 1986

COMPT

86-339

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA: Executive Director  
Deputy Director for Administration  
ComptrollerFROM: Robert W. Magee  
Director of PersonnelSUBJECT: Expansion of the Experimental Pay and Job Evaluation Program  
to the Electronic Specialists, Office of Communications

1. Action Requested: Your approval of the recommendation in paragraph 3 to expand the Office of Communications Experimental Pay and Job Evaluation System to the Electronic Specialist occupation in the Office of Communications.

2. Background: In November 1984, you approved an experimental pay and job evaluation program to be implemented January 1985 for the Telecommunications Officer (TCO) occupation in the Office of Communications (OC) for a five year period (Attachment A). Since that time, OC and the Office of Personnel have been working on a plan to expand the program to include OC Electronic Specialists who work side-by-side with the TCOs currently in the program. Our preliminary evaluation of experiences in the first year of the experimental program indicates that we are meeting our objective of relating pay to performance, that employees and managers are generally receptive to the pay-for-performance concept, and that costs of the program can be contained. Based on this assessment, we believe that it is now appropriate to expand the experiment to include the OC Electronic Specialist population. Our Congressional oversight committees have already been advised of our intent to add the OC Electronic Technician population to the experiment in the DCI's report to the House Permanent Select Committee on Intelligence on our first-year experience (Attachment B).

25X1 The proposed expansion of the experimental pay and job evaluation  
25X1 system will place approximately  additional positions on the TCO schedules, and will increase the total number of employees involved in the pay experiment to approximately . The pay schedules for the Electronic Specialists are the same as those used for the TCOs, and the occupational levels will be as follows:

<u>Title</u>	<u>TCO Level</u>	<u>GS Equivalent</u>
Field Engineering Trainee	TCO/TCX-1	GS-06/08
Field Engineer Assistant	TCO/TCX-2	GS-09/11
Field Engineer	TCO/TCX-3	GS-11/12
Field Engineering Supervisor	TCM/TCY-3	GS-12/13
Field Engineering Manager	TCM/TCY-4	GS-14/15

SECRET

SECRET

SUBJECT: Expansion of the Experimental Pay and Job Evaluation Program  
to the Electronic Specialists, Office of Communications

The plan for conversion of the Electronic Specialist occupation to the experimental program and for administration of the experiment is similar to that adopted for the TCOs in October 1984 by a Memorandum of Understanding (Attachment C).

The OC will accommodate the costs of the proposed experimental pay plan within its current personal services authorization. It is anticipated that conversion to the new schedule will cost approximately \$75,000, and that first year administrative costs will not significantly exceed those which would have been realized under the General Schedule.

3. Recommendation: It is recommended that you approve the expansion of the experimental pay and job evaluation program to include the Electronic Specialist occupation, to be effective 16 March 1986, with all costs for conversion and implementation to be borne by the Office of Communications within their available personal services budget for the current fiscal year.

Robert W. Magee

#### Attachments

CONCUR:

25X1

[Redacted Signature]

17 MAR 1986

Comptroller

Date

25X1

[Redacted Signature]

Deputy Director for Administration

17 MAR 1986

Date

Executive Director

Date

APPROVED:

/s/ John N. McMahon

18 MAR 1986

Deputy Director of Central Intelligence

Date

SECRET

SUBJECT: Expansion of the Experimental Pay and Job Evaluation Program  
to the Electronic Specialists, Office of Communications

25X1 OP/PA&E/PMCD/C&CP,  (13 Mar 86)

Distribution:

Orig - Addressee (To be returned to Originating Office)

- 1 - ER (w/atts)
- 2 - DDA (w/atts)
- 1 - Comptroller (w/atts)
- 1 - D/OP (w/atts)
- 2 - DD/PA&E (w/atts)
- 3 - PMCD (w/atts)

SECRET

Registry

84-2395/2

84-4024-

19 NOV 1984

86 1056

MEMORANDUM FOR: Deputy Director of Central Intelligence

VIA: Executive Director  
Deputy Director for Administration  
General Counsel  
Comptroller

FROM: Robert W. Magee  
Director of Personnel

SUBJECT: Experimental Pay and Job Evaluation  
Program for Telecommunications Officers,  
Office of Communications

25X1 1. Action Requested: Your approval of the recommendation contained in paragraph 3 to implement an experimental pay and job evaluation program for the Telecommunications Officer occupation in the Office of Communications (OC). ☐

25X1 2. Background: Since 1979, the Department of Navy has been conducting an experiment in an alternative pay program for its laboratories at Naval Weapons Center, China Lake, California; and Naval Ocean Systems Center, San Diego, California. Authorized under the Civil Service Reform Act of 1978, this experiment simplifies position classification and provides greater pay flexibility to management without substantially increasing payroll costs. The experimental pay program consolidates the current General Schedule (GS-05 through GS-15) into four pay levels. By doing so, the pay range and number of incremental steps for each pay level is increased. For example, the General Schedule has a 30 percent pay range between steps one and ten at each grade level while the experimental pay program would have a 50 percent pay range between the first increment and the last increment of each level. All pay decisions are based on performance. ☐

25X1 In June, the Office of Personnel (OP) and Office of Communications (OC) assembled a task force to develop procedures to adapt the Navy program to the Telecommunications Officer (TCO) occupation in OC. The administrative procedures outlined by this proposal will be used to place approximately ☐ Telecommunications Officers (TCOs) into the five pay



SECRET

**SUBJECT: Experimental Pay and Job Evaluation Program for  
 Telecommunications Officers, Office of Communications**

levels in attachment A (domestic) and attachment B (overseas).  
 Pay levels in the proposed schedules are linked to the GS as follows:

	<u>GS Schedule</u>	<u>Experimental Schedule</u>
Trainee Level	GS/GSO-06/08	TCO/TCX - 1
Working Level	GS/GSO-09/11	TCO/TCX - 2
Nonsupervisory Specialist	GS/GSO-11/12	TCO/TCX - 3
First Level Supervisor/Staff	GS/GSO-12/13	TCM/TCY - 3
Management/Senior Staff	GS/GSO-14/15	TCM/TCY - 4

The nonsupervisory specialist TCO/TCX level will be used only on a limited scale to allow selected officers not aspiring to management positions to be recognized for their extraordinary expertise. Criteria for placement of positions in all levels are being developed jointly by the Position Management and Compensation Division, OP and OC.

It is anticipated that conversion of affected personnel to the proposed experimental system will involve a one-time cost of approximately \$250,000. This cost includes granting, on a pro rata basis to the implementation date, within grade increases (WGIs) which will occur during the first year. These prorated WGIs will be added to current salary to establish the conversion grade and step. Based on budget projections developed by OC, the operating costs of the experiment for within band and interband movement as a result of the FY 1985 evaluation exercise will be approximately \$1.3 million for the anticipated participants. This represents a projected increase of \$154,000 over historical General Schedule costs. The Comptroller believes that the total costs of approximately \$404,000, including conversion, for the first year of operation are manageable within current Agency funding levels.

Beginning prior to implementation, and continuing into the first year of operation, OP and OC will undertake jointly an extensive education program for managers and employees on the operation of the new pay system. This program will be structured both to gain acceptance from employees and to school managers in the pay decision process.

It is proposed that you use your plenary pay authority under Section 8 of the CIA Act to authorize an experimental grade banding program to be run for up to five years. During this period, the Office of Personnel will evaluate the program and make a recommendation to expand or terminate the experiment.

**SECRET**

**SUBJECT: Experimental Pay and Job Evaluation Program for  
Telecommunications Officers, Office of Communications**

3. Recommendation: It is recommended that you authorize the implementation of an experimental pay and job evaluation program for the Telecommunications Officer occupation in the Office of Communications to run for a period of not more than five years.

Attachments: (A) TCO/TCM Schedule  
(B) TCX/TCY Schedule  
(C) General Schedule  
(D) Grade Banding

CONCUR:

General Counsel

23 NOV 1984

Date

Comptroller

11/26/84

Date

Deputy Director for Administration

11-27-84

Date

Executive Director

Date

APPROVE:

\*  
Deputy Director of Central Intelligence

11-29-84

Date

\* Congress will be briefed on our  
3 program, as previously desired.

**SECRET**

STAT

Sanitized Copy Approved for Release 2011/06/09 : CIA-RDP88G01332R000100010020-8

**Page Denied**

Next 4 Page(s) In Document Denied

Sanitized Copy Approved for Release 2011/06/09 : CIA-RDP88G01332R000100010020-8

**SUBJECT: Background on Grade Banding**

In 1979, the Naval Weapons Center, China Lake, California and the Naval Ocean Systems Center, San Diego, California were faced with pay and artificial grade-level constraints which were impacting adversely upon their recruitment and retention of professional personnel. To overcome these handicaps, the Department of Navy developed a new personnel program as a Demonstration Project under the provisions of the Civil Service Reform Act of 1978. The underlying assumption of this program was that if management were delegated responsibility for management of the personnel program and held accountable for decisions, many of the artificial constraints imposed as controls on the personnel system could be relaxed. To implement the program, several major changes were made to the General Schedule (GS) personnel system. First, the number of grade levels was reduced so that the pay ranges for two or more GS grades were compressed into a single level. Thus, each new level had a pay range of approximately 50 percent through which an individual could progress, as opposed to a 30 percent for the GS. Pay decisions within the levels were now based solely on performance using an objective-based performance appraisal not unlike the Agency system.

Each level is divided into increments of approximately one and one-half percent, or one half of the GS step increase. Based on performance, individuals may be awarded from none to four increments in each annual evaluation. All but employees performing at a marginal or unsatisfactory level receive annual comparability increases.

In order to make the experimental system work, Navy has delegated to management not only the pay decision authority, but also the accountability for money necessary to implement pay decisions. If a manager does not wish to differentiate among employees' performance, and inflates their performance appraisals to avoid conflict, then there will be insufficient payroll money to implement the recommendations. Experience has shown that this approach has been effective for Navy.

For the Navy experiment, the performance pay pool is comprised of money which would have been used for within-grade pay increases, Quality Step Increases and promotions which would have occurred within the new levels. The pool for each of the two labs is approximately 2.3-2.4 percent of payroll.

An interesting factor which has been added to the Navy system, and which is included in the Agency proposal, is the performance bonus. This factor was added to allow steady performers who are at the top of a level,

25X1

**SECRET**

or who for some other reason may not be eligible for movement within a level, to receive a one-time bonus equivalent to salary increments within the level.

Navy has been running its experiment for five years, and has recently received approval to extend the program for another five years. As yet, there is no Congressional authority for any Title V Agency to permanently adopt pay alternatives to the General Schedule.

**Page Denied**

Next 1 Page(s) In Document Denied

EDWARD P. BOLAND, WASHINGTON, D.C.  
BERNARD V. BENTLEY, CALIFORNIA  
BYRON FOWLER, AL. GEORGIA  
LEE H. HAMILTON, GEORGIA  
ALBERT BONE, JR. VIRGINIA  
LEWIS STUEBEL, OHIO  
DAVE BUCKLEY, ILLINOIS  
ANTHONY C. BOLANDER, CALIFORNIA  
J. BERNETH EDWARDS, VIRGINIA  
G. WILLIAM BRIDGEMAN, VIRGINIA  
C. W. BILL YOUNG, FLORIDA  
BOB STUMP, ARIZONA  
ANDY BELLARD, FLORIDA

THOMAS E. LAYMAN, STAFF DIRECTOR  
MICHAEL J. STEEL, CHIEF CLERK  
STEVEN E. BERRY, ASSOCIATE CLERK

## U.S. HOUSE OF REPRESENTATIVES

PERMANENT SELECT COMMITTEE

ON INTELLIGENCE

WASHINGTON, DC 20515

EXECUTIVE

85- 394

LEGISLATIVE LIAIS

85-02

January 24, 1985

Honorable William J. Casey  
Director of Central Intelligence  
Washington, D. C. 20505

Dear Mr. Casey:

Thank you for the Agency's notification to the Committee of its intent to proceed with an experimental pay program in its Office of Communications. I understand your staff has provided the Committee staff with a detailed briefing about this "pay banding" experiment.

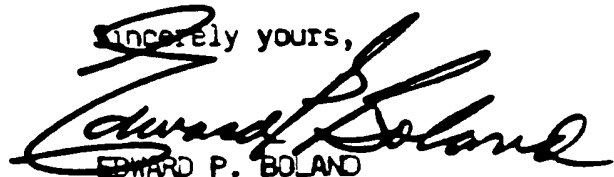
The Committee has no objection to the Agency's proposal to evaluate this concept on an experimental basis. The Committee anticipates reviewing the program at least annually. The Committee will pay particular attention to whether the costs of this experiment will exceed costs for the same employee group under the Agency's present General Schedule system.

The Committee joins you in seeking an effective Agency personnel management and compensation system. The Committee therefore wishes to assure itself that whatever pay system is used will ensure the retention of skilled personnel and fairly compensate them for satisfactory as well as excellent performance.

In line with the Committee's interest in this experimental program, I request that you provide the Committee with an evaluation of the first year's experience under the pay banding system by January 31, 1986.

With every good wish, I am

Sincerely yours,

  
EDWARD P. BOLAND  
Chairman

JAN 25 5 12 PM '85



Washington, D.C. 20510

Record

LEGISLATIVE LIAISON

84-4784

14 DEC 1984

COPIES SBL

TO -

HAC - C-45347

SAC - C-45347

HPSCI - C-4534

Mr. Robert R. Simmons, Staff Director  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510 - C-453476

Dear Rob:

This letter is written to describe an experimental pay program known as grade banding which we propose to implement in the Agency's Office of Communications for the Telecommunications Officer occupation category. This experimental program consolidates the current General Schedule (GS-05 through GS-15) into five pay levels. By doing so, the pay range for each pay level is modified to cover two or more GS grades. All pay decisions are based on substantially documented performance criteria.

STAT This program will be limited to the Office of Communications, and will include about  Telecommunications Officers. The program involves use of a simplified position classification system; banding of the General Schedule grade levels; integration of our objectives-based appraisal system with the pay system; and establishment of management accountability through the budget process. The experiment will run for up to five years.

This system appears to offer us several improvements over our current pay practices. First, this pay-for-performance system allows for performance-related salary increases within a grade level rather than solely through promotion to the next grade level, thus reducing upward pressure on the position classification system. Second, the system provides managers with greater flexibility and accountability to set pay and to reward employees. Third, it simplifies and expedites position classification. Fourth, we anticipate that this system will enhance our efforts to recruit and retain the highly skilled specialists who are vital to our organization.

A substantial increase in payroll costs to fund this experiment is not anticipated. We have projected an additional operating cost of approximately \$400,000 for the

first year of the experiment. This includes a one-time cost of approximately \$250,000 for conversion to the new pay schedule. All costs will be absorbed out of our current personal services budget.

Pay levels in the experimental schedules are linked to the General Schedule as follows:

	<u>GS Schedule</u>	<u>Experimental Schedule</u>
Trainee Level	GS/GSO-06/08	TCO/TCX - 1
Working Level	GS/GSO-09/11	TCO/TCX - 2
Nonsupervisory Specialist	GS/GSO-11/12	TCO/TCX - 3
First Level Supervisory/Staff	GS/GSO-12/13	TCM/TCY - 3
Management/Senior	GS/GSO-14/15	TCM/TCY - 4

Since 1979, the Department of Navy has been conducting an experiment using a similar alternative pay program for its laboratories at Naval Weapons Center, China Lake, California, and at the Naval Ocean Systems Center, San Diego, California. Authorized under the Civil Service Reform Act of 1978, that experiment simplifies position classification and provides greater pay flexibility to management without substantially increasing payroll costs.

Over the life of our experimental pay program, we will monitor and evaluate on an annual basis the costs of the program and its success in meeting our improved performance and longevity objectives. Information obtained from our analysis will form the basis for discussions with you on any future expansion of the system to other parts of this Agency. If after receipt of these details you would like further briefing, we would be happy to do so. We are looking to implementation on 6 January 1985.

Sincerely,

/s/Charles A. Briggs

Charles A. Briggs  
Director, Office of Legislative Liaison

ADMINISTRATIVE - INTERNAL USE ONLY

84-3754

OCT 12 1984

861056

MEMORANDUM FOR: Director of Communications

FROM: Robert W. Magee  
Director of Personnel

SUBJECT: Memorandum of Understanding

1. I have reviewed the changes you wanted in our understanding on grade banding and, for the most part, find them acceptable. In a few instances, however, I have made minor changes to the Memorandum of Understanding (attached) to assure that the program guidelines are well enough defined that we can defend our program outside. These changes are specified below:

a. In paragraph 2c(4), I have added a sentence specifying that conversion criteria will be jointly agreed to by both of us to assure consistency with overall Agency personnel practices.

b. In paragraph 2e, I have specified that QSIs should be implemented prior to initiation of the new program.

c. In paragraph 2j, specific criteria has been added for converting personnel from the banded system back to the GS.

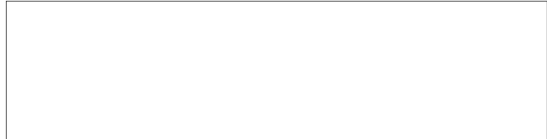
d. In paragraph 2n, I have added a sentence requiring Director of Personnel approval if more than the upper limits specified for the various increment categories are to be awarded. This provision is necessary to assure that there is enough formal structure to the program that we do not foster misperceptions.

e. In paragraph 2p, I have deleted the word "normally" before "four increments" to assure that employees are not left with confused expectations on what a promotion will mean to them.

f. In paragraph 2r, I have specified that employees whose performance is unsatisfactory will receive no comparability increase, as we agreed.

2. With the few minor modifications specified above, I believe we have an agreement we can begin working from. Obviously, we may have to make additional changes as we learn from our experience, and this is to be expected.

3. If you have any questions, please call me.

  
Robert W. Magee

Attachment

ADMINISTRATIVE - INTERNAL USE ONLY

STAT

ADMINISTRATIVE - INTERNAL USE ONLY

## MEMORANDUM OF UNDERSTANDING

SUBJECT: Experimental Pay System (Grade Banding) to be Administered  
in the Office of Communications

1. This memorandum represents the agreement reached between the Director of Communications and the Director of Personnel on the conduct of an experimental pay program for the Telecommunications occupation within the Office of Communications. The experiment is scheduled to run for a period not to exceed five years, with a decision to be made by the DCI during this period on the utility of this program as a permanent alternative to the General Schedule pay system. During the experimental period, the Director of Communications will be charged with the administration of the pay program within the guidelines agreed to in this memorandum and within the budgetary constraints established by Agency management. The Director of Personnel will be responsible for broad personnel policy governing the conduct of the experiment, for evaluation of the effectiveness of the program in meeting Agency needs, and for recommending expansion or termination of the program to the DCI based on the results of the program evaluation.

2. The following paragraphs represent the policy guidelines agreed upon for conversion to and administration of the experimental pay program. Changes to these guidelines may be made by approval of the Director of Personnel with concurrence of the Director of Communications:

a. Convert all Telecommunications Series employees from GS to the appropriate level and increment of the new pay schedule (see Attachment A) on 14 October 1984, the first full pay period in fiscal 1985 or at an appropriate time thereafter. All TCO employees, including those assigned to other Agency components, will be converted to the experimental pay system.

b. All Within-Grade Increases (WGI) that were to be effective on or before 30 September 1985 will be made effective for eligible employees at the time of conversion on a pro rata basis. To prorate the increase due, time completed in a waiting period will be divided by the waiting period for the step. The resulting fraction will be multiplied by the step increment for the grade to determine the net salary adjustment due.

c. Conversion will be accomplished through the following process:

(1) Each individual's current salary will be determined using the current GS grade and step.

(2) The salary level will be increased by the prorated share of the within grade due under paragraph 2.b.

(3) Employees will be assigned to the band and increment levels closest to, but not less than the salary determined in 2.c.(2).

ADMINISTRATIVE - INTERNAL USE ONLY

ADMINISTRATIVE - INTERNAL USE ONLY

SUBJECT: Experimental Pay System (Grade Banding) to be Administered in the Office of Communications

(4) Employees whose current salary falls into more than one band level will be converted to the appropriate band level and increment based on established conversion criteria. Criteria to be used will be jointly approved by the Director of Communications and the Director of Personnel.

d. The current Uniform Promotion System is to continue through February 1985, and employees promoted can be given pay comparable to that which would have been received under the General Schedule. Should the next higher GS grade be within the currently assigned level, the employee may receive up to a four-increment increase within that level. Employees who receive four-increment increases in February may not receive more than two additional increments as a result of the FY85 evaluation cycle to avoid windfall pay increases.

e. All recommendations for Quality Step Increases (QSI) must be submitted prior to implementation date. Implementation of any QSI's should be completed on or before the date of implementation of this experimental pay program.

f. Employees and managers in all components will be provided new personnel evaluation criteria for use under the experimental system. Teams comprised of representatives from the Office of Personnel (OP) and the Office of Communications (OC) will be appointed to educate managers and employees on the banding experiment and the new evaluation procedures to be used. For this experiment, the term "component" is defined as the organization elements under current policy that have been delegated personnel evaluation responsibility.

g. Components will submit completed Performance Assessment Forms (Attachment B) to Headquarters in accordance with the newly established PAR and evaluation schedule (Attachment F). PAR narratives should address the factors listed on the Performance Assessment Form and the Headquarters Review Board Worksheet (Attachment C). Initially, increment increases and promotions between levels will be recommended by component managers and reviewed by Headquarters Review Boards. All recommendations are subject to the approval of the Director of Communications.

h. Headquarters appointed boards, using Performance Assessment Forms submitted by the component, promotion criteria (Attachment D) and Headquarters Review Board Worksheets, will provide the Director of Communications rank-order lists, by level, of employees recommended for promotion and/or incremental increases. Employees do not have to be assigned a Category I descriptor to be considered for a maximum incremental increase or promotion. All promotion and merit pay increases will be effected once a year for employees in the experimental pay system. Increment increases and promotions will be determined as near as possible to the end of the fiscal year.

ADMINISTRATIVE - INTERNAL USE ONLY

( ADMINISTRATIVE - INTERNAL USE ONLY )

SUBJECT: Experimental Pay System (Grade Banding) to be Administered in the Office of Communications

i. Annual evaluations under the experiment will be completed prior to August each year. Trainees in Level I may be awarded increment increases out of cycle using criteria established for that level.

j. Employees being converted to the General Schedule from the banded schedules will not be penalized in salary. Conversions to the General Schedule will be accomplished as follows:

(1) Grade levels for conversion will be established according to the following schedule:

- (a) TCO/TCX 1 - increments 1 through 11 to GS-06
- (b) TCO/TCX 1 - increments 12 through 22 to GS-07
- (c) TCO/TCX 1 - increments 23 through 32 to GS-08
- (d) TCO/TCX 2 - increments 1 through 10 to GS-09
- (e) TCO/TCX 2 - increments 11 through 22 to GS-10
- (f) TCO/TCX 2 - increments 23 through 31 to GS-11
- (g) TCO/TCX 3 - increments 1 through 15 to GS-11
- (h) TCO/TCX 3 - increments 16 through 30 to GS-12
- (i) TCM/TCY 3 - increments 1 through 15 to GS-12
- (j) TCM/TCY 3 - increments 16 through 30 to GS-13
- (k) TCM/TCY 4 - increments 1 through 15 to GS-14
- (l) TCM/TCY 4 - increments 16 through 29 to GS-15

(2) Within the grade established above, the GS step will be that which is nearest to, but not less than the salary of the employee at the time of conversion.

(3) The new LEI date for the employee will be established at the last time the equivalent of a step increase was received by the employee under the banded system, or pay system preceding banding if no equivalent increase was received while in the banded pay system.

k. Employees who have already achieved minimum Full Performance certification and who are converted to this pay schedule will not be required to meet the new certification criteria.

1. A Performance Assessment Form for employees transferring from one OC component to another within an evaluation cycle will be completed and forwarded to the gaining component. The gaining component will perform the annual evaluation of the employee in accordance with the evaluation schedule, giving full consideration to the reassignment evaluation(s) provided by other components during the evaluation year.

ADMINISTRATIVE - INTERNAL USE ONLY

( ADMINISTRATIVE - INTERNAL USE ONLY )

SUBJECT: Experimental Pay System (Grade Banding) to be Administered in the Office of Communications

m. The Performance Assessment Form should be considered a counseling tool and must be discussed with the employee upon request.

n. Recommendations for incremental increases will be stated in the following terms: maximum (normally four), median (normally three), minimal (normally one or two), and none. Limitations on the number of increments for the above categories will be determined from money available and numbers of employees recommended for each category. Exceptions to the upper limits stated for the categories established above must be approved by the Director of Personnel.

o. PAR ratings should be objective evaluations of employees performance, and senior managers shall make every effort to ensure that PAR ratings do not escalate. Similarly, managers shall make every effort to see that incremental increases are performance based and that recommendations for them are handled in as equitable a manner as possible. The Director of Communications will evaluate component chiefs on the effectiveness of the administration of their performance evaluation program.

p. For promotion between levels, Performance Assessment Form ratings from components will constitute approximately 80% of the overall rating and the remaining 20% will be based on evaluations by Headquarters Review Boards, using Headquarters Review Worksheets prepared by the Headquarters Review Board. Employees recommended for promotion to the next higher level must have satisfied the prerequisite criteria for entrance into that level. Employees selected for promotion will receive the equivalent of four increments in the level from which promoted, or will be placed in the first increment of the level to which promoted, whichever is greater. The promotion increment increase includes increment increases recommended by the components. Placement in the level to which promoted is in the increment closest to, but not less than, the employee's salary at the current level plus four increments.

q. Component evaluation should be performed by a panel of senior employees - preferably from Band Level IV. For the first cycle, all Headquarters Review Boards should be chaired by the same officer.

r. Employees, except those whose performances are marginal or unsatisfactory (normally Category IV) (Attachment E), may receive a minimum of one increment increase annually up to the midpoint of a level salary range. Federal comparability pay adjustments are not guaranteed and, also, may be withheld if the employee's performance is marginal. Comparability will be withheld if an employee's performance is unsatisfactory. Employees performing at less than a fully satisfactory level normally will not progress beyond the mid-level of a pay range.

ADMINISTRATIVE - INTERNAL USE ONLY

{ ADMINISTRATIVE - INTERNAL USE ONLY }

SUBJECT: Experimental Pay System (Grade Banding) to be Administered by the Office of Communications

s. A bonus award program shall be established for use in conjunction with the experimental pay system and is a portion of the monies budgeted for annual pay increases. The bonus program may be used, but not limited, to award employees who have reached maximum salary in a pay level and are not selected for promotion or whose performance merits special recognition but not in the form of continual pay reward or cash award under the Agency incentive awards program.

Bonuses will be paid in equivalent incremental values on a one-time basis. More than one incremental amount can be awarded. Recommendations for bonuses will be made by component chiefs, reviewed at Headquarters, and approved by the Director of Communications in conjunction with other annually scheduled pay adjustments.

Cash awards for special accomplishments, or performance on special assignments that deserve exceptional recognition shall be paid under the Agency Awards Program.

t. An appeals procedure to address employee complaints concerning pay increases and promotions, that cannot be resolved at the first or second level of supervision, will be maintained. This is essential during the first few years of the experiment as OC learns the administrative procedures of this program. Employees unable to resolve concerns within OC regarding their performance awards may appeal to the DDA. The decision of the DDA will be final.

u. Exceptions to policies established under this experimental pay program shall be approved by the Director of Personnel.

v. The five salary ranges used in this experiment will be identified by the following titles:

Trainee	TCO/TCX Level I
Operations	TCO/TCX Level II
Specialist	TCO/TCX Level III
Staff	TCM/TCX Level III
Senior Officer	TCM/TCX Level IV

w. A committee will be convened, that will include officers from the task force, to determine the classification criteria that will be used to convert positions from the GS pay schedule to the experimental pay system. Benchmark positions with broad generic descriptors similar to the San Diego experiment will be developed by OC and OP officers and approved by the Director of Personnel.

ADMINISTRATIVE - INTERNAL USE ONLY

ADMINISTRATIVE - INTERNAL USE ONLY

SUBJECT: Experimental Pay System (Grade Banding) to be Administered by the Office of Communications

x. A committee(s) (made up of representatives from OP and OC) will be appointed to coordinate and oversee implementation of the experiment. These responsibilities will include:

- Developing an employee briefing package
- Developing an instructional guide for administration of the evaluation materials used in this experiment.

y. Senior managers will be briefed on implementation of the experiment, followed by briefings for all employees domestic and abroad.

z. Category Descriptors (Attachment D) have been redefined for TCO Series employees and new promotion criteria will be used for the experiment.

zz. The Office of Personnel will be responsible for evaluation of the experimental pay program. OC will work with OP to identify data necessary and reports required to evaluate as a minimum the following:

- (1) Costs of the banding approach as compared to the General Schedule;
- (2) Effect on employee attitudes toward OC and the Agency as an employer;
- (3) Performance distributions/payout distributions and changes over time;
- (4) Changes in retention and recruitment success within the occupation;
- (5) Band/increment of the occupation as a function of time;
- (6) Speed of position classification service in comparison to past experiences;
- (7) Change in position level distribution as a function of time;
- (8) Frequency of employee appeals of annual salary determinations, and changes in frequency as a function of time.

STAT

--	--

Director of Communications

Date

Director of Personnel

Date

OCT 12 1984

ADMINISTRATIVE - INTERNAL USE ONLY